

UMICORE PRECIOUS METALS (THAILAND) LTD.  
PUBLIC DUE DILIGENCE REPORT

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1. REFINER'S DETAIL

Refiner's name	Umicore Precious Metals (Thailand) Ltd. (UPMT)
Location	Prawet District, Bangkok, Thailand
Reporting Year-end	01/01/2019 – 31/12/2019
Date of Report	10/01/2020

Umicore Precious Metals (Thailand) Ltd. was established in 1993. UPMT based on over one hundred years of experience and tradition in the precious metal business will remain focused on precious metal business such as precious metal refining, production, and distribution of semi-finished products for the jewellery and electroplating industry.

*(For further information on the Umicore Group, please visit [www.umicore.com](http://www.umicore.com))*

UPMT is the certified member of Responsible Jewellery Council (RJC) as the member group of Allgemeine Gold-und Silberscheideanstalt AG since December 16, 2011 and UPMT has been certified for RJC Chain-of-Custody standard since Jun 19, 2013.

UPMT have applied for the "Conformant Gold Refiner - Gold" list of Responsible Minerals Initiative (RMI)

The UPMT's Refiner Identification Number in RMI website is CID002314.

As an accredited refiner and producer of Good Delivery Bars registered at the London Bullion Market Association (LBMA), UPMT has implemented according to the LBMA Responsible Silver Guidance, and dissociates itself from the usage of conflict materials originating from conflict-affected regions.

2. SUMMARY OF ACTIVITIES UNDERTAKEN TO DEMONSTRATE COMPLIANCE

**STEP 1: ESTABLISH STRONG COMPANY MANAGEMENT SYSTEM**

*We have fully complied with Step1: Establish strong management system.*

Policy regarding to due diligence for supply chains of precious metals (silver, gold and PGM group)

A specific Group Policy "Responsible Global Supply Chain of Minerals from Conflict-Affected and High Risk Areas" is effective within the Umicore Group as from February 4, 2013.

Based on the principles of this policy, UPMT has established 'Umicore Precious Metals Thailand (UPMT) - Supply Chain Due Diligence Policy on Precious Metals', which is consistent with the model set out in the Annex II of the OECD Due Diligence Guidance. This Policy set out our responsibility and full commitment for establishing and maintaining strong management system for considering the human rights and other risks that may be connected to the extraction, trading, handling and exporting of minerals from conflict-affected and high-risk areas, and our commitment to support and contribute to the respect of human rights and ethics in business, Umicore Precious Metals Thailand Ltd. adopts this specific policy:

- Regarding serious abuses associated with the extraction, transport or trade of precious metals (silver, gold and PGM group);
- Regarding direct or indirect support to non-state armed groups;
- Regarding bribery and fraudulent misrepresentation of the origin of precious metals (silver, gold and PGM group);
- Regarding money laundering;

#### Internal management Structure to support supply chain due diligence

The responsible AML-Officer has been designated as the compliance officer since August 1<sup>st</sup>, 2018 to take care on Anti-Money Laundering and Compliance task for overall Business Unit.

UPMT has set up and implemented management system to support Supply Chain Due Diligence into its management structure and organisation. Roles and responsibilities for implementing the policy and to manage the Due Diligence process are clearly defined. The compliance officer who reports directly to the management team, has all the necessary means to perform the duty and is responsible for all matters regarding to the Umicore's Supply Chain Due Diligence including the responsibility to ensure proper communication and information processes to management, who retain the ultimate control and responsibility for the Supply Chain.

UPMT has established a strong internal system of due diligence, controls and transparency over gold supply chain, including traceability and identification of other supply chain actors.

The Umicore Precious Metals Thailand Supply Chain Security Guideline has been developed to ensure the supply chain traceability and maintaining of records. The compliance officer reviews the supply chain due diligence and report to the senior management.

UPMT manages its material processes by FoxPro system. This includes the ability to ensure the traceability over the Supply Chain in regards to information, documents and actors related to every lot of precious metals bearing material which we process. Strict internal working procedures, as well as checks and control for all process steps

UPMT has strengthened company engagement with precious metals (silver, gold and PGM group) supplying counterparties, and where possible, assists precious metals (silver, gold and PGM group) supplying chain counterparties in building due diligence capabilities.

UPMT has communicated the Umicore Precious Metals Thailand (UPMT) - Supply Chain Due Diligence Policy on Precious Metals and Supply Chain Security Guideline to all precious metals (silver, gold and PGM group) supplying customers and has engaged with them to ensure that the materials received for processing have not been sourced from illegal sources or located in the conflict-affected-areas.

UPMT communicates the policy and supply chain security guideline to business partners (customers and suppliers) in the precious metals supply chain and requires the them to provide information, documentation and accomodations for site visits to complete our due diligence as outlined in our policy, supply chain guideline and procedure. Additionally, UPMT has engaged the customers to obtain written and sign in the confirmation letter for material sourcing to confirm that the materials which sent to UPMT for processing have not been sources from illegal operation or located in conflict-affected-areas.

UPMT has established a company-wide communication mechanism to promote broad based employee participation and risk identification to management.

The training program on Umicore Precious Metals Thailand (UPMT) - Supply Chain Due Diligence Policy on Precious Metals and Supply Chain Security Guideline has been provided for all employee concerned. Policies are communicated throughout the organisation and interested parties by company website.

The compliance audit for due diligent is integrated into the UPMT Integrated Management System (IMS) Internal Audit to review the effectiveness of the management system performance. Result of IMS internal audit are communicated to all relevant departments and management team.

#### STEP 2: IDENTIFY AND ASSESS RISK IN SUPPLY CHAIN

*We have fully complied with Step2: Identify and assess risk in the supply chain.*

The "Umicore Precious Metals Thailand Supply Chain Security Guideline" has been developed according to Business Unit – Jewellery and Industrial Metals Supply Chain Security Guideline.

According to the Business Unit and Company's Supply Chain Security Guideline, the questionnaire and Business Partners Screening (BPS) scoring matrix (for abroad customers) have been implemented for identify and assess risk. The result from the evaluation is reported to relevant departments and management. The authorisation for approving all new precious metals supplying counterparties regarding to their risk category.

#### STEP 3: DESIGN AND IMPLEMENT A MANAGEMENT SYSTEM TO RESPOND TO IDENTIFIED RISKS

*We have fully complied with Step3: Design and implement a management system to respond to identified risks.*

As details in step2, the 'Business Unit and Company's Supply Chain Security Guideline' have been established and implemented within to involve the compliance officer and a number of cases of management and responsible AML-Officer or compliance officer in case of higher risk, respectively.

Transaction will be put on hold. The decision of the compliance officer and/or of the management and/or responsible AML-Officer and/or compliance officer could lead to mitigation of the risk or could lead to disengagement.

Approval of a business partner is valid for the defined period and should be timely renewed. However certain events will required immediately a review of the validation/screening. These events are:

- Importance changes in shareholder structure, management and/or country of residence
- Change of bank and/or of bank account
- When there is a suspicion of money laundering or criminal activities
- Where there are doubts about veracity or adequacy of previously obtained customer data

#### **STEP 4: ARRANGE FOR AN INDEPENDENT THIRD PARTY AUDIT OF THE SUPPLY CHAIN DUE DILIGENCE**

*We have fully complied with Step4: Arrange for an independent third party audit of the supply chain due diligence.*

The Supply Chain Due Diligent is the part of RJC Code-of Practice and RJC Chain-of-Custody standard. The assessment is conducted by third party, UL, as regularly basis.

#### **STEP 5: REPORT ON SUPPLY CHAIN DUE DILIGENCE**

*Umicore Precious Metals (Thailand) Ltd. do the report as defined in step5 of the supply chain due diligence by annually basis.*

Further information for the 'Umicore Precious Metals Thailand (UPMT) - Supply Chain Due Diligence Policy on Precious Metals' and 'Umicore Precious Metals Thailand Security Supply Chain Security Guideline' are available at <https://www.umicore.co.th/en/about-us/our-sites/precious-metals/>

### 3. MANAGEMENT CONCLUSION

In conclusion, Umicore Precious Metals (Thailand) Ltd. has in place policy, management system, procedures and practices consistent with the OECD Due Diligence Guidance.

Umicore Precious Metals (Thailand) Ltd. is committed to continual improvement, and any corrective action identified will be monitored internally on a regular basis.

### 4. OTHER REPORT COMMENTS

If user of this report wish to provide any feedback to UPMT with respect to this report, they can contact compliance officer by sending an e-mail to [philailuck.maimala@ap.umicore.com](mailto:philailuck.maimala@ap.umicore.com).

Approve the report by:



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Mr. Matthias Schmidt

Managing Director